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**SALT RIVER PROJECT**

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**KELLY J. BARR, ESQ.**

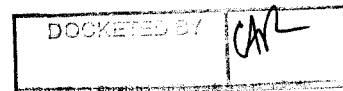
Manager, Regulatory Affairs & Contracts

Arizona Corporation Commission

DOCKETED

OCT 31 2002

October 31, 2002



Chairman William A. Mundell  
Commissioner Jim Irvin  
Commissioner Marc Spitzer  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Re: Docket No. L-00000B-00-0105, Decision No. 63611

Dear Commissioners:

Enclosed please find SRP's fourth quarterly report on the status of the Santan project. This report provides up-to-date information and documentation on the status of SRP's efforts to comply with each condition contained in the Certificate of Environmental Compatibility (CEC).

As always, please feel free to contact me if you have any additional questions or concerns.

Sincerely,

Kelly J. Barr

Enc.

cc: Lyn Farmer, Chief Administrative Law Judge  
Ernest Johnson, Utilities Director  
Patrick Williams, Compliance and Enforcement Manager  
Chris Kempsey, Legal Director  
Brian McNeil, Executive Secretary  
Docket Control

Richard H. Silverman, General Manager  
Richard M. Hayslip, Manager, Environmental, Land, Risk Management & Telecom

**BEFORE THE ARIZONA POWER PLANT  
AND TRANSMISSION LINE SITING COMMITTEE**

In the matter of the Application of Salt  
River Project Agricultural Improvement and  
Power District in conformance with the  
requirements of Arizona Revised Statutes  
Sections 40-360-03 and 40-360.06, for a  
Certificate of Environmental Compatibility  
authorizing the Expansion of its Santan  
Generating Station, located at the intersection  
of Warner Road and Val Vista Drive,  
in Gilbert, Arizona, by adding 825 megawatts  
of new capacity in the form of three combined  
cycle natural gas units, and associated  
intraplant transmission lines.

Case No. 105

Docket No. L-00000B-00-0105

Decision No. \_\_\_\_\_

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

Pursuant to notice given as provided by law, the Arizona Power Plant and  
Transmission Line Siting Committee (the "Committee") held public hearings at the  
Dobson Ranch Inn, 1644 South Dobson Road, Mesa, Arizona, on September 14, 2000,  
and various days following, in conformance with the requirements of Arizona Revised  
Statutes section 40-360 *et seq.*, for the purpose of receiving evidence and deliberating  
on the Application of Salt River Project Agricultural Improvement and Power District  
("Applicant") for a Certificate of Environmental Compatibility in the above-captioned  
case (the "Application").

The following members or designees of members of the Committee were present  
for the hearing on the Application:

Paul A. Bullis                      Chairman, Designee for Arizona Attorney General Janet  
Napolitano

Steve Olea                          Designee of Chairman of the Arizona Corporation  
Commission

1	Richard Tobin	Designee for the Arizona Department of Environmental Quality
2		
3	Dennis Sundie	Designee for the Director of the Department of Water Resources
4		
5	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
6		
7	George Campbell	Appointed Member
8	Jeff Mcguire	Appointed Member
9	A. Wayne Smith	Appointed Member
10	Sandie Smith	Appointed Member
11	Mike Whalen	Appointed Member

12 The Applicant was represented by Kenneth C. Sundlof, Jr., Jennings, Strouss &  
13 Salmon PLC. There were seventeen intervenors: Arizona Utilities Investor Association,  
14 by Ray Heyman; Arizona Corporation Commission Staff, by Janice Alward; Arizona  
15 Center for Law in the Public Interest, by Timothy Hogan, Mark Kwiat, Elisa Warner,  
16 David Lundgreen, Cathy LaTona, Sarretta Parrault, Mark Sequeira, Cathy Lopez,  
17 Michael Apergis, Marshal Green, Charlie Henson, Jennifer Duffany, Christopher  
18 Labban, Bruce Jones and Dale Borger. There were a number of limited appearances.

19 The Arizona Corporation Commission has considered the grant by the Power  
20 Plant and Line Siting Committee of a Certificate of Environmental Compatibility to SRP  
21 and finds that the provisions of A.R.S. §40-360.06 have complied with, and, in addition,  
22 that documentary evidence was presented regarding the need for the Santan Expansion  
23 Project. Credible testimony was presented concerning the local generation deficiency in  
24 Arizona and the need to locate additional generation within the East Valley in order to  
25 minimize transmission constraints and ensure reliability of the transmission grid. The  
evidence included a study that assessed the needs of the East Valley. The analysis

1 found that the East Valley peak load currently exceeds the East Valley import capability  
2 and within the next 5 years the East Valley load will exceed the load serving capability.

3 Additional testimony was presented regarding SRP's projected annual 3.7% load  
4 growth in its service territory. By 2008, SRP will need approximately 2700 MW to meet  
5 its load. This local generation plant will have power available during peak periods for  
6 use by SRP customers.

7  
8 At the conclusion of the hearing and deliberations, the Committee, having  
9 received and considered the Application, the appearance of Applicant and all  
10 intervenors, the evidence, testimony and exhibits presented by Applicant and all  
11 intervenors, the comments made by persons making limited appearances and the  
12 comments of the public, and being advised of the legal requirements of Arizona Revised  
13 Statutes Sections 40-360 to 40-360.13, upon motion duly made and seconded, voted to  
14 grant Applicant the following Certificate of Environmental Compatibility (Case No. L-  
15 00000B-00-0105):

16 Applicant and its assignees are granted a Certificate of Environmental  
17 Compatibility authorizing the construction of an 825 megawatt generating facility  
18 consisting of three combined cycle units with a total net output of 825 megawatts  
19 together with related infrastructure and appurtenances, in the Town of Gilbert, on  
20 Applicant's existing Santan Generating Station site, and related switchyard and  
21 transmission connections, as more specifically described in the Application (collectively,  
22 the "Project"). Applicant is granted flexibility to construct the units in phases, with  
23 different steam turbine configurations, and with different transmission connection  
24 configurations, so long as the construction meets the general parameters set forth in the  
25 application.

1 This certificate is granted upon the following conditions:

- 2 1. Applicant shall comply with all existing applicable air and water pollution  
3 control standards and regulations, and with all existing applicable  
4 ordinances, master plans and regulations of the State of Arizona, the  
5 Town of Gilbert, the County of Maricopa, the United States, and any other  
6 governmental entities having jurisdiction.

7 ***Status ~ SRP has requested that the EPA make a formal determination***  
8 ***that the SEP would be considered a "new source" under the National***  
9 ***Pollutant Discharge Elimination System (NPDES) permitting program***  
10 ***established by the Federal Clean Water Act. EPA determined that SEP***  
11 ***is an NPDES "new source" and on August 1, 2002 issued a Notice of***  
12 ***Intent to complete an Environmental Assessment in compliance with***  
13 ***the provisions of the National Environmental Policy Act (NEPA).***

14 ***The Arizona Department of Environmental Quality (ADEQ) has***  
15 ***completed significant steps towards obtaining the authority to***  
16 ***administer the NPDES permitting program. Should ADEQ obtain that***  
17 ***authority prior to the completion of the NEPA process, the NEPA***  
18 ***requirements would not apply and there is the possibility that the***  
19 ***process could be terminated prior to formal completion.***

- 20 2. This authorization to construct the Project will expire five (5) years from  
21 the date the Certificate is approved by the Arizona Corporation  
22 Commission unless construction of the Project is completed to the point  
23 that the project is capable of operating at its rated capacity; provided,  
24 however, that Applicant shall have the right to apply to the Arizona  
25 Corporation Commission for an extension of this time limitation.

***Status ~ No update or change from July 2002 quarterly report status.***

3. Applicant's project has two (2) approved transmission lines emanating  
from its power plant transmission switchyard and interconnecting with the  
existing transmission system. This plant interconnection must satisfy the  
single contingency criteria (N-1) without reliance on remedial action such  
as a generator unit tripping or load shedding.

***Status ~ No update or change from July 2002 quarterly report status.***

4. Applicant shall use reasonable efforts to remain a member of WSCC, or  
its successor, and shall file a copy of its WSCC Reliability Criteria  
Agreement or Reliability Management System (RMS) Generator  
Agreement with the Commission.

***Status ~ No update or change from July 2002 quarterly report status.***

- 1 5. Applicant shall use reasonable efforts to remain a member of the  
2 Southwest Reserve Sharing Group, or its successor.

3 **Status ~ No update or change from July 2002 quarterly report status.**

- 4 6. Applicant shall meet all applicable requirements for groundwater set forth  
5 in the Third Management Plan for the Phoenix Active Management Area.

6 **Status ~ No update or change from July 2002 quarterly report status.**

- 7 7. With respect to landscaping and screening measures, including the  
8 improvements listed in the IGA, Applicant agrees to develop and  
9 implement a public process consistent with the process chart (Exhibit 89)  
presented during the hearings, modifying the dates in the IGA with the  
Town of Gilbert, if necessary, to correspond with the schedule in Exhibit  
89.

10 The new Community Working Group (CWG) will consist of 12 members,  
11 selected as follows: one member selected by the Town of Gilbert, four  
12 members selected by neighborhood homeowner associations, four  
13 representatives selected by intervenors, and three members selected by  
14 SRP (not part of the aforementioned groups) who were part of the original  
15 community working group. Applicant and landscaping consultants shall  
16 act as advisors to the CWG. CWG meetings shall be noticed to and be  
17 open to the general public. The initial meeting shall take place on an  
18 evening or weekend in the Town of Gilbert.

19 The objective of the CWG shall be to refine the landscaping and mitigation  
20 concept plans submitted during these hearings (Exhibit 88). The CWG shall  
21 work to achieve appropriate visual mitigation of plant facilities and to  
22 facilitate the design and installation of the concept plan components so as to  
23 maximize the positive impact on the community and to increase, wherever  
24 possible, the values of the homes in the neighboring areas. The refinement  
25 of the mitigation plans shall be reasonably consistent with the planning  
criteria of the Town of Gilbert, the desires of neighboring homeowner  
associations, and the reasonable needs of Applicant.

Applicant shall retain an independent facilitator, acceptable to the CWG, to  
conduct the CWG meetings. It shall be the role of the facilitator to assist in  
initial education and in conducting an orderly and productive process. The  
facilitator may, if necessary, employ dispute resolution mechanisms.

The CWG shall also assist in establishing reasonable maintenance  
schedules for landscaping of Applicant's plant site in public-view areas.

Applicant will develop with the Town of Gilbert a continuous fund, to be  
administered by the Town of Gilbert, to provide for the construction and

1 maintenance of off-site landscaping in the areas depicted in the off-site  
2 landscaping concepts as developed by the CWG in an amount sufficient to  
3 fund the concepts in Exhibit 88 or concepts developed by the CWG,  
4 whichever is greater.

5 **Status ~ The process to complete the landscaping and screening**  
6 **designs around the Santan Generating Station is continuing.**

7 **The CWG has agreed on a conceptual plan for the on-site landscaping**  
8 **based upon work performed by TenEyck Landscape Architects. SRP**  
9 **has agreed to fund this plan at a cost of approximately \$6.7 million.**  
10 **TenEyck Landscape Architects is currently working on the construction**  
11 **documents for this plan and will forward these documents to the Town**  
12 **for their review in the fall of 2002.**

13 **The CWG will meet again as soon as the landscape architect's work on**  
14 **the onsite construction documents reaches a 60% complete status.**

15 **SRP has finalized the details for two separate offsite landscaping**  
16 **programs - the HOA landscaping program and the individual**  
17 **landscaping program established for County residential properties.**  
18 **Allocation for both programs was based on the same four primary**  
19 **factors.**

20 **These factors include:**

- 21 1. **Proximity to the Power Plant: Properties that are located closer**  
22 **to the plant will receive a higher percentage of the funds. This**  
23 **approach addresses the concern that the plant impairs the view**  
24 **of those residents who live closer to the plant more than those**  
25 **who live farther away.**
2. **Subdivision Area: A portion of the funds will be distributed to**  
each eligible subdivision based on the acreage of the  
subdivision. The fund allocations for the number of acres for  
each subdivision will also be adjusted to consider the proximity  
of the subdivision to the plant. This factor accounts for  
subdivisions with lower lot counts and large open space areas.
3. **The Number of Lots within a Subdivision: An additional portion**  
of the funds will be distributed based on the number of lots  
within each eligible subdivision. The fund allocations for the lot  
counts will also be adjusted to consider their proximity to the  
power plant site. This factor provides an allocation for each lot  
within the area defined for mitigation.
4. **Special Condition Areas: There are a number of areas where**  
residential lots are adjacent to an open space and facing toward  
the power plant. These areas will be identified and the linear  
footage of the lots exposed to direct views of the plant will be

1                    *calculated. A portion of the overall funds will be allocated to*  
2                    *address this condition and these funds will be distributed based*  
                    *upon the length of frontage.*

3                    **HOA Offsite Landscaping Program ~**

- 4                    • *18 HOAs are within the defined radius and eligible to participate*  
5                    *in the program.*  
6                    • *SRP has met with four individual HOAs and held a consolidated*  
7                    *informational meeting for the remaining HOAs involved in the*  
8                    *program.*  
9                    • *Thirteen out of the eighteen communities have acknowledged*  
                    *and agreed to utilize the funds as established in the cover letter*  
                    *and guidelines (Appendix A). We expect to receive the final five*  
                    *acknowledgements by the November 21, 2002 deadline.*  
                    • *May 21<sup>st</sup> 2003 is the deadline for HOAs to submit their plans and*  
                    *implementation timelines to SRP.*

10                  **Individual County Landscaping Program ~**

- 11                  • *Residents of three County communities have been invited to*  
12                  *participate.*  
13                  • *To be eligible for the program residents must provide SRP with*  
14                  *1) proof of ownership on each eligible parcel and 2) two*  
15                  *documents presenting proof of residency on each parcel (i.e.*  
16                  *copy of power bill, Town utility service bill, etc...)*  
17                  • *Eligible participants who live south of the generating station will*  
18                  *receive \$1201, residents living in El Dorado Ranchos will receive*  
19                  *\$254 and Sawyer Estate residents are eligible to receive \$395.*  
20                  • *Eighty percent of the individual allocation will be given in a*  
21                  *voucher to be redeemed at one of three participating*  
22                  *landscaping nurseries.*  
23                  • *Twenty percent will be distributed in the form of a check to help*  
24                  *with ancillary improvements to their landscape watering system,*  
25                  *ground cover, or any grass replacement.*  
                    • *A letter (Appendix B) was sent to residents informing them of the*  
                    *County program on September 26, 2002.*  
                    • *October 31, 2002 is the deadline for residential participation.*

- 20                  8. The visual mitigation efforts shall be in general compliance with the plans and  
21                  concepts presented in these proceedings and constitute a commitment level by  
22                  Applicant. Applicant will not reduce the overall level of mitigation as set forth in  
23                  its Application and this proceeding, except as may be reasonably changed  
24                  during the CWG process. The Town of Gilbert shall approve the plans agreed  
25                  to by the CWG.

23                  **Status ~ No update or change from July 2002 quarterly report status.**

- 24                  9. Applicant shall, where reasonable to do so, plant on site trees by the fall of  
25                  2001. Because planting of trees must await the improvement of Warner  
                    Road and the design and construction of berms, this condition will largely



1 apply to trees on the East side of the site, and some of the trees on the  
2 North side. All landscaping will be installed prior to the installation of major  
3 plant equipment such as, but not limited to, exhaust stacks, combustion  
4 turbines, and heat recovery steam generators, except where delays are  
5 reasonably necessary to facilitate construction activities.

6 **Status ~ No update or change from July 2002 quarterly report status.**

- 7 10. Applicant shall operate the Project so that during normal operations the  
8 Project shall not exceed the most restrictive of applicable (i) HUD residential  
9 noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City  
10 of Tempe standards. Additionally, construction and operation of the facility  
11 shall comply with OSHA worker safety noise standards. Applicant agrees  
12 that it will use its best efforts to avoid during nighttime hours construction  
13 activities that generate significant noise. Additionally, Applicant agrees to  
14 comply with the standards set forth in the Gilbert Construction Noise  
15 Ordinance, Ordinance No. 1245, during construction of the project. In no  
16 case shall the operational noise level be more than 3 db above background  
17 noise as of the noise study prepared for this application. The Applicant shall  
18 also, to the extent reasonably practicable, refrain from venting between the  
19 hours of 10:00 p.m. and 7:00 a.m.

20 **Status ~ Sargent and Lundy ("S&L" - plant architect/engineer) is  
21 continuing its acoustic analysis for the plant. S&L has retained an  
22 acoustic consultant who is assisting S&L on the project. SRP has been  
23 monitoring the Town of Gilbert's efforts to establish a noise ordinance.  
24 Such an ordinance, similar to that in force in Tempe, was adopted by the  
25 Town Council on July 23, 2002. Acoustic requirements have been  
incorporated into the specifications for all of the major pieces of  
equipment, most of which have been ordered by now.**

11. Applicant will work with the Gilbert Unified School District to assist it in  
converting as many as possible of its school bus fleet to green diesel or  
other alternative fuel, as may be feasible and determined by Gilbert Unified  
School District, and will contribute a minimum of \$330,000 to this effort.

**Status ~ SRP and the Gilbert Unified School District have been  
researching options that would reduce emissions around the Santan  
generating station. We have been working collaboratively on several  
fronts ranging from utilizing newer technology to replacing older buses  
with newer ones.**

**All parties are still in the exploratory phase of this initial proposal and are  
proceeding accordingly.**

12. Applicant shall actively work with all interested Valley cities, including at a  
minimum, Tempe, Mesa, Chandler, Queen Creek and Gilbert, to fund a  
Major Investment Study through the Regional Public Transit Authority to

1 develop concepts and plans for commuter rail systems to serve the growing  
2 population of the East Valley. Applicant will contribute a maximum of  
\$400,000 to this effort.

3 ***Status ~ To date activities have focused on reviewing the existing***  
4 ***transit condition in Gilbert and the East Valley, along with evaluating***  
5 ***the future economic and population growth expected for the area. The***  
6 ***study will also review East Valley issues associated with the Maricopa***  
7 ***Association of Government's (MAG) 5.4 million Valley population***  
8 ***growth scenario, which will be the foundation for the region's new***  
9 ***Regional Transportation Plan (RTP).***

10 ***We have also held three Gilbert/East Valley Technical Advisor Meetings,***  
11 ***along with one Gilbert/East Valley Transit Forum, which was attended***  
12 ***by 39 transit officials and East Valley residents. The issues identified***  
13 ***during those meetings will be summarized shortly in our first report,***  
14 ***Gilbert/East Valley Transit Conditions, which will be finalized after***  
15 ***reviewing the latest population projections from MAG.***

- 16 13. Within six months of approval of this Order by the Arizona Corporation  
17 Commission, Applicant shall either relocate the gas metering facilities to the  
18 interior of the plant site or construct a solid wall between the gas metering  
19 facilities at the plant site and Warner Road. The wall shall be of such  
20 strength and size as to deflect vehicular traffic (including a fully loaded  
21 concrete truck) that may veer from Warner Road to the gas-metering site.

22 ***Status ~ SRP has completed the activity required by this condition.***

- 23 14. Applicant will use only SRP surface water, CAP water or effluent water for  
24 cooling and power plant purposes. The water use for the plant will be  
25 consistent with the water plan submitted in this proceeding and acceptable  
to the Department of Water Resources. Applicant will work with the Town of  
Gilbert to attempt to use available effluent water, where reasonably feasible.

***Status ~ SRP has a contract with CAWCD to purchase CAP water for***  
***use at the facility. SRP continues to work with the Town of Gilbert to***  
***work out an acceptable arrangement for using effluent and other water***  
***sources at the plant.***

- 15 15. Applicant agrees to comply with all applicable federal, state and local  
16 regulations relative to storage and transportation of chemicals used at the  
17 plant.

18 ***Status ~ No update or change from July 2002 quarterly report status.***

- 19 16. Applicant agrees to maintain on file with the Town of Gilbert safety and  
20 emergency plans relative to emergency conditions that may arise at the  
21 plant site. On at least an annual basis Applicant shall review and update, if

1 necessary, the emergency plans. Copies of these plans will be made  
2 available to the public and on Applicant's web site. Additionally Applicant  
3 will cooperate with the Town of Gilbert to develop an emergency notification  
4 plan and to provide information to community residents relative to potential  
5 emergency situations arising from the plant or related facilities. Applicant  
6 agrees to work with the Gilbert police and fire departments to jointly develop  
7 on site and off-site evacuation plans, as may be reasonably appropriate.  
8 This cooperative work and plan shall be completed prior to operation of the  
9 plant expansion.

10 **Status ~ No update or change from July 2002 quarterly report status.**

- 11 17. In obtaining air offsets required by EPA and Maricopa County, Applicant will  
12 use its best efforts to obtain these offsets as close as practicable to the plant  
13 site.

14 **Status ~ No update or change from July 2002 quarterly report status.**

- 15 18. In order to reduce the possibility of generation shortages and the attendant  
16 price volatility that California is now experiencing, SRP will operate the  
17 facilities consistent with its obligation to serve its retail load and to maintain a  
18 reliable transmission system within Arizona.

19 **Status ~ No update or change from July 2002 quarterly report status.**

- 20 19. Beginning upon operation of the new units, Applicant will establish a citizens'  
21 committee, elected by the CWG, to monitor air and noise compliance and  
22 water quality reporting. Applicant will establish on-site air and noise  
23 monitoring facilities to facilitate the process. Additionally Applicant shall  
24 work with Maricopa County and the Arizona Department of Environmental  
25 Quality to enhance monitoring in the vicinity of the plant site in a manner  
acceptable to Maricopa County and the Arizona Department of  
Environmental Quality. Results of air monitoring will be made reasonably  
available to the public and to the citizens' committee. Applicant shall provide  
on and off-site noise monitoring services (at least on a quarterly basis),  
testing those locations suggested by the citizens' committee. The off-site air  
monitoring plan shall be funded by the Applicant and be implemented before  
operation of the plant expansion.

**Status ~ SRP's proposed ambient monitoring location, which is  
approximately ½ mile east of Gilbert Road and ½ mile north of Warner  
Road, was approved by Maricopa County on October 9, 2002. The new  
air monitoring station will be installed by March 2003.**

20. Applicant will explore, and deploy where reasonably practicable, the use of  
available technologies to reduce the size of the steam plumes from the unit  
cooling towers. This will be a continuing obligation throughout the life of the

1 plant.

2 **Status ~ SRP contacted cooling tower vendors seeking towers that**  
3 **included plume abatement technology. Only one of the tower bidders**  
4 **offered such an option. The technology needed to eliminate the cooling**  
5 **tower plume would raise the cost of the towers by a factor of three and**  
6 **would require that the towers be taller than standard models.**  
7 **Additional operating and maintenance costs would also be incurred**  
8 **over the life of the plant with this technology. Given the significantly**  
9 **higher costs associated with these towers and the fact that the**  
10 **technology is not offered by most vendors SRP concluded that the**  
11 **added costs did not justify the potential benefits. However, SRP will**  
12 **continue to monitor cooling tower technology going forward.**

- 13 21. SRP will, where practicable, work with El Paso Natural Gas Company to use  
14 the railroad easements for the installation of the new El Paso gas line.

15 **Status ~ SRP and its consultants on the pipeline design process have**  
16 **selected a route that parallels the railroad for much of its length. SRP**  
17 **will soon start land procurement as a part of the right of way process**  
18 **for the pipeline.**

- 19 22. Other than the Santan/RS 18 lines currently under construction, Applicant  
20 shall not construct additional Extra High Voltage transmission lines (115kV  
21 and above) into or out of the Santan site, including the substation on the site.

22 **Status ~ No update or change from July 2002 quarterly report status.**

- 23 23. Applicant will replace all Town of Gilbert existing street sweepers with  
24 certified PM10 efficient equipment. A PM10 efficient street sweeper is a  
25 street sweeper that has been certified by the South Coast Air Quality  
Management District (California) to comply with the District's performance  
standards under its Rule 1186 (which is the standard referenced by the  
Maricopa Association of Governments).

**Status ~ SRP has completed the activity required by this condition.**

- 26 24. Applicant shall work in a cooperative effort with the Office of Environmental  
27 Health of the Arizona Department of Health Services to enhance its  
28 environmental efforts.

**Status ~ No update or change from July 2002 quarterly report status.**

- 29 25. Applicant shall operate, improve and maintain the plant consistent with  
30 applicable environmental regulations and requirements of the Environmental  
31 Protection Agency, the Arizona Department of Environmental Quality,  
32 Maricopa County and the Town of Gilbert.

**Status ~ No update or change from July 2002 quarterly report status.**

26. Applicant shall actively work in good faith with Maricopa County in its efforts to establish appropriate standards relative to the use of distillate fuels in Valley generating facilities.

**Status ~ On Tuesday, October 15th, SRP brought four representatives of the Maricopa County Environmental Services Department to Agua Fria Generating Station to discuss what is required to burn distillate fuel at the plant, and to observe a demonstration of fuel switching activities. The County was shown how the fuel combustion system is switched from use of natural gas to use of distillate fuel. Consumption of distillate fuel requires insertion of guns into the boiler to atomize and inject the fuel. County representatives observed assembly of an oil gun, how the guns are actually put into the boilers, and were able to observe the switching process (from gas to distillate fuel and back again, for one boiler and one turbine). This was done in support of the County's development of its Rule 322, which will limit burning of distillate fuel at existing facilities to emergencies and reliability testing.**

27. Applicant shall install continuous emission monitoring equipment on the new units and will make available on its website emissions data from both the existing and new units according to EPA standards. Applicant shall provide information to the public on its website in order to assist the public in interpreting the data, and provide viable information in a reasonable time frame.

**Status ~ No update or change from July 2002 quarterly report status.**

28. Applicant will comply with the provisions of the Intergovernmental Agreement dated April 25, 2000 between Applicant and the Town of Gilbert, as modified pursuant to this Certificate.

**Status ~ There are eight SRP obligations noted on the IGA. The status of each obligation is as follows:**

- **Improvements to Warner Road and Val Vista Road ~ The Town of Gilbert continues to review roadway plans from their consulting engineering firm. They anticipate bidding this work in December 2002. The work on the north border of the Santan property will be done first followed by widening of Warner and Val Vista at the railroad crossings. There are approximately 4-5 weeks of actual roadwork north of the Santan plant. Additional work associated with landscaping the median will take place after the roadway is complete. The Town of Gilbert expects that this entire project will be completed in March 2003.**
- **Screening of the Plant ~ Construction documents are being developed for the agreed onsite design; Town review is expected later this fall. SRP has removed two of the three fuel tanks on**

1 *site. The third tank will be removed late in 2002 or early 2003.*  
2 *We are in the process of procuring two much smaller tanks that*  
3 *will be constructed in the space occupied by the larger*  
4 *southernmost tank (removed earlier this year). See Condition 7*  
5 *status for more details.*

- 6 • *Trail Extension* ~ *The trail extension on the east side of Santan*  
7 *will be developed and is incorporated in the on-site design plan.*
- 8 • *Rerouting of Canal at Ray Road* ~ *SRP has procured the one acre*  
9 *parcel required to make this canal modification. The design*  
10 *work has been completed. The actual construction will be*  
11 *completed by the end of November 2002. Cutover to the new*  
12 *section of canal will coincide with the annual canal dry up.*
- 13 • *Training Tower Removal* ~ *This training tower was removed in*  
14 *the Fall of 2000.*
- 15 • *Revegetation Along New RS 18 Line* ~ *SRP has restored any*  
16 *vegetation damaged or destroyed along the RS 18 line as a*  
17 *result of the construction of the line.*
- 18 • *Dust Control Along Canals* ~ *SRP is in compliance with*  
19 *applicable PM-10 standards along SRP canal banks.*
- 20 • *Offsite Tree Planting* ~ *The offsite landscaping programs have*  
21 *been developed. See Condition 7 status for more details.*

- 22 29. During the proceeding neighbors to the plant site raise significant concern  
23 about the impact of the plant expansion on residential property values. In  
24 performing each of the conditions in this order Applicant, in conjunction  
25 where applicable, with the Town of Gilbert and the plant site neighbors, shall  
consider and attempt to maximize the positive effect of its activities on the  
values of the homes in the surrounding neighborhoods.

*Status* ~ *No update or change from July 2002 quarterly report status.*

30. Applicant shall construct the auxiliary boiler stack at such height as may be  
determined by air modeling requirements. Applicant shall situate the  
auxiliary boiler stack so that it is not visible from off the plant site.

*Status* ~ *No update or change from July 2002 quarterly report status.*

31. Applicant will construct the heat recovery steam generators ("HRSG")  
approximately 15 feet below grade and will construct the HRSGs so that the  
overall height of the HRSG module from the natural grade is no more than  
80 feet.

*Status* ~ *SRP has selected the HRSG vendor and ordered the HRSGs for*  
*the project. The HRSG modules will reflect and comply with the height*  
*restriction included in the specification.*

32. Applicant will complete the installation of the dry low NOX burners on the  
existing units prior to the construction of the new units.

**Status ~ SRP has completed the activity required by this condition.**

33. Applicant shall not transfer this Certificate to any other entity for a period of 20 years from the date of approval by the Corporation Commission, other than as part of a financing transaction where operational responsibilities will remain with Applicant, and where Applicant will continue to operate the plant in accordance with this Certificate.

**Status ~ No update or change from July 2002 quarterly report status.**

34. Applicant shall post on its website, when its air quality permit application is submitted to the Maricopa County Environmental Services Department. Also, Applicant shall post on its website any official notice that may be required to be posted in newspapers for its air quality permit application.

**Status ~ SRP has completed the activity required by this condition.**

GRANTED this \_\_\_\_ day of February, 2001

ARIZONA POWER PLANT AND TRANSMISSION  
LINE SITING COMMITTEE

By Paul A. Bullis  
Its Chairman

**BEFORE THE ARIZONA CORPORATION COMMISSION**

In the matter of the Application of Salt )  
River Project Agricultural Improvement and )  
Power District in conformance with the )  
requirements of Arizona Revised Statutes )  
Sections 40-360-03 and 40-360.06, for a )  
Certificate of Environmental Compatibility )  
authorizing the Expansion of its Santan )  
Generating Station, located at the intersection )  
of Warner Road and Val Vista Drive, )  
in Gilbert, Arizona, by adding 825 megawatts )  
of new capacity in the form of three combined )  
cycle natural gas units, and associated )  
intraplant transmission lines. )

Case No. 105

Docket No. L-00000B-00-0105

Decision No. \_\_\_\_\_

1 The Arizona Corporation Commission (Commission) has conducted its review, as  
2 prescribed by A.R.S. §40-360.07. Pursuant to A.R.S. §40-360.07(B), the Commission,  
3 in compliance with A.R.S. §40-360.06, and in balancing the broad public interest, the  
4 need for an adequate, economical and reliable supply of electric power with the desire  
5 to minimize the effect thereof on the environment and ecology of the state;

6 The Commission finds and concludes that the Certificate of Environmental  
7 Compatibility should be granted upon the additional and modified conditions stated  
8 herein.

- 9 35. The Santan Expansion Project shall be required to meet the Lowest  
10 Achievable Emission rate (LAER) for Carbon Monoxide (CO), Nitrogen  
11 Oxides (Nox), Volatile Organic Carbons (VOCs), and particulate Matter  
12 less than ten micron in aerodynamic diameter (PM10). The Santan  
Expansion Project shall be required to submit an air quality permit  
application requesting this LAER to the Maricopa County Environmental  
Services Department.

13 **Status ~ No update or change from July 2002 quarterly report status.**

- 14 36. Due to the plant's location in a non-attainment area, the Applicant shall not  
15 use diesel fuel in the operation of any combustion turbine or heat recovery  
16 steam generator located at the plant.

17 **Status ~ As summarized in the last quarterly report, the recent FERC**  
18 **decision to eliminate the current "full requirement" gas transportation**  
19 **contracts between El Paso and the southwestern states could have a**  
20 **significant impact on natural gas supplies in Arizona. In response, SRP**  
21 **began exploring the use of ultra low sulfur fuel for emergency**  
22 **situations.**

23 **Operational Assessment of Ultra Low Sulfur Fuel**

24 ***Since the last report, the turbine equipment manufacturer, General***  
25 ***Electric (GE), provided SRP with its assessment of the use of ultra low***  
***sulfur fuel in the existing Santan Generating Station turbines. GE***  
***reported that the fuel's physical properties are substantially similar to***  
***conventional low sulfur fuel and CARB diesel, and that ultra low sulfur***  
***fuel can be used in the existing gas turbines at Santan with effectively***  
***identical performance (Appendix C). Additionally, GE confirmed that as***  
***a result of the significantly lower sulfur content of the fuel, SO2***  
***emissions from the turbines would be significantly lower compared to***  
***low sulfur fuel or CARB diesel. A comparison of the maximum sulfur***



content of these fuels and the expected maximum SO2 emissions for each is presented below.

<b>Fuel</b>	<b>Low Sulfur Fuel</b>	<b>CARB Diesel</b>	<b>Ultra Low Sulfur Fuel</b>
<b>Maximum Fuel Sulfur Content (ppm)</b>	500	500	15
<b>Maximum Expected SO2 Emissions (lb/mmBtu)</b>	.0533	.0533	.0016

GE also reported that emissions of other criteria pollutants (NOx, VOC, PM10, CO) when using ultra low sulfur fuel would be comparable to emissions when burning low sulfur fuel and CARB diesel, with a slight reduction in NOx as a result of ultra low sulfur fuel having a lower nitrogen content than the other fuels.

**Distillate Fuel Storage Capacity**

Two of the three existing fuel tanks have been demolished, and the third tank is scheduled to be demolished by late 2002 or early 2003.

Plans to put two new, smaller fuel tanks in service during the spring of 2003 for the potential use of ultra low sulfur fuel have been finalized. The profile of the new tanks is thirteen feet less than the original tanks, substantially reducing the visual impact. The storage capacity of the new tanks is 44,000 barrels, roughly one-tenth of the original fuel storage capacity.

37. In obtaining emissions reductions related to Carbon Monoxide (CO) emissions, Applicant shall where technologically feasible obtain those emission reductions onsite to the Santan Expansion Project.

**Status ~ No update or change from July 2002 quarterly report status.**

38. Beginning upon commercial operation of the new units, Applicant shall conduct a review of the Santan Generating facility operations and equipment every five years and shall, within 120 days of completing such review, file with the Commission and all parties in this docket, a report listing all improvements which would reduce plant emissions and the costs associated with each potential improvement. Commission Staff shall review the report and issue its findings on the report, which will include an economic feasibility study, to the Commission within 60 days of receipt. Applicant shall install said improvements within 24 months of filing the review with the Commission, absent an order from the Commission directing otherwise.

**Status ~ No update or change from July 2002 quarterly report status.**

39. Applicant shall provide \$20,000 to the Pipeline Safety Revolving Fund on an annual basis, thus improving the overall safety of pipelines throughout the State of Arizona.

**Status ~ No update or change from July 2002 quarterly report status.**

40. Where feasible, Applicant shall strive to incorporate local and in-state contractors in the construction of the three new generation units for the expansion project.

**Status ~ The following represents an update to our use of local contractors on some of the jobs completed or in progress since the January report.**

***Fabrication and Construction of Two New Fuel Oil Tanks  
Brown Tank and Steel  
4300 S 15th Ave  
Phoenix, AZ 85041  
602 243-3053***

***Tie into Gilbert's Effluent pipeline in Warner Road  
Klondyke Construction  
2640 W. Lone Cactus Drive  
Phoenix, AZ 85027  
623 869-6969***

41. Applicant shall construct a 10 foot high block wall surrounding the perimeter of the Santan plant, and appropriately landscape the area consistent with the surrounding neighborhood, unless otherwise agreed to by the Salt River Project and the Citizens Working Group.

**Status ~ SRP has recently completed the construction of a 10' block wall along the east side of the plant property.**

**APPROVED AS AMENDED BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

Chairman

Commissioner

Commissioner

In Witness hereof, I, Brian C. McNeil,  
Executive Secretary of the Arizona  
Corporation Commission, set my hand

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and cause the official seal of this  
Commission to be affixed this \_\_\_\_ day  
of \_\_\_\_\_, 2001.

By: \_\_\_\_\_  
Brian C. McNeil  
Executive Secretary

Dissent: \_\_\_\_\_

APPENDIX A



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 20, 2002

RECEIVED  
SEP 18 2002  
FUELS DEPT.

Mr. Robb Lipsey  
Premier Management  
Ashland Ranch Property  
P. O. Box 50219  
Phoenix, AZ 85076

Dear Mr. Lipsey:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of seventeen thousand, eight hundred and thirty eight dollars (\$17,838.00) will be provided to Ashland Ranch. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

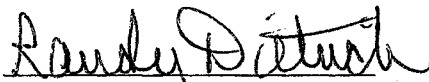
- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



Ashland Ranch, Property Manager  
Robb Lipsey



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 21, 2002

RECEIVED  
SEP 18 2002  
FUELS DEPT.

Ms. Ivy Gilio, President  
Cottonwood Crossings  
937 Jamaica Way  
Gilbert, AZ 85296

Dear Ms. Gilio:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of two hundred fourteen thousand, fifty four dollars (\$214,054.00) will be provided to Cottonwood Crossings. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:


- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered
- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board


- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

  
Manager, SRP  
Randy Dietrich

  
President, Cottonwoods Crossings HOA  
Ivy Gilio

cc: Sarah Bevier, Property Manager  
Tri-City Property  
760 S. Stapley Dr., #3  
Gilbert, AZ 85204



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
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Randall G. Dietrich, Manager  
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Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 19, 2002

Connie Vollrath

~~Mr. Clark Lathrum~~, President  
Finley Farms North HOA  
2243 E. Finley St.  
Gilbert, AZ 85296

RECEIVED  
AUG 28 2002  
FUELS DEPT.

Dear Mr. Lathrum:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of sixty seven thousand, four hundred and ninety dollars (\$67,490.00) will be provided to Finley Farms North. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

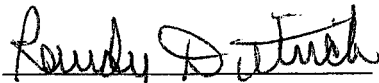


- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

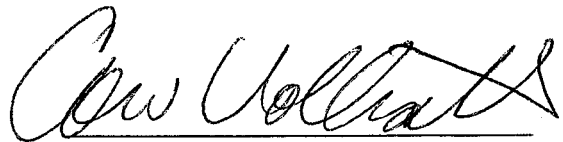
After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

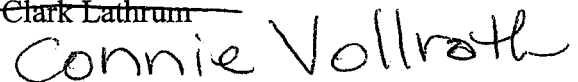


Manager, SRP  
Randy Dietrich



President, Finley Farms North HOA

~~Clark Lathrum~~



cc: Linda Severs, Property Manager  
City Property Management  
4645 E. Cotton Gin Loop  
Phoenix, AZ 85040



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 21, 2002

RECEIVED  
SEP 26 2002  
FUELS DEPT.

Mr. Marshall Green, President  
Finely Farms South HOA  
1751 E. Orangewood  
Gilbert, AZ 85296

Dear Mr. Green:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of two hundred fifteen thousand, one hundred two dollars (\$215,102.00) will be provided to Finely Farms South. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

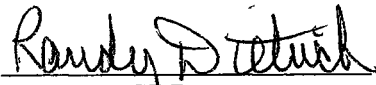
- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

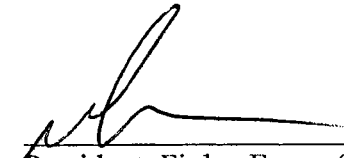
- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
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After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

  
Manager, SRP  
Randy Dietrich

  
President, Finley Farms South HOA  
Marshall Green

cc: Tracy Tipton, Property Manager  
Tim Reedy Group  
P.O. Box 2050  
Chandler, AZ 85225

---

VIOLA

RECEIVED  
SEP 09 2002  
BY: .....



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

RECEIVED  
OCT 18 2002  
FUELS DEPT.

August 20, 2002

Leslie Lopez, Rep.  
Gateway Ranch HOA  
2482 E. Pony Lane  
Gilbert, AZ 85296

Dear Ms. Lopez:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of two thousand, four hundred thirty three dollars (\$2,433.00) will be provided to Gateway Ranch. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:


- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

  
Manager, SRP  
Randy Dietrich

  
Gateway Ranch HOA Rep.  
Leslie Lopez

cc: Viola Lanam, Property Manager  
Associated Asset Management  
2400 E. Arizona Biltmore Cir., #1300  
Phoenix, AZ 85016



P.O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5489  
E-mail: rgdietri@srpnet.com

RECEIVED  
SEP 09 2002

August 20, 2002

RECEIVED  
SEP 09 2002  
FUELS DEPT.

Mr. Mark Rounsaville, Rep.  
Greenfield Estates HOA  
P.O. Box 12170  
Glendale, AZ 85318

Dear Mr. Rounsaville:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of eight hundred dollars (\$800.00) will be provided to Greenfield Estates. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

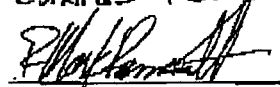
- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

  
Manager, SRP  
Randy Dietrich

ON BEHALF OF THE GREENFIELD  
ESTATES HOMEOWNERS ASSOCIATION  
  
Greenfield Estates HOA Rep.  
R. Mark Rounsaville



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

RECEIVED  
SEP 23 2002  
FUELS DEPT.

August 19, 2002

Mark Turturo, President  
Greenfield Lakes HOA  
1055 S. Parkcrest  
Gilbert, AZ 85296

Dear Mr. Turturo:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of two hundred and ten thousand, four hundred and eighty one dollars (\$210,481.00) will be provided to Greenfield Lakes. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered



- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

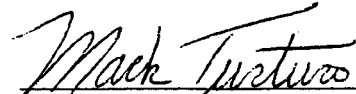
To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP

Randy Dietrich



President, Greenfield Lakes HOA

Mark Turturo

cc: Property Manager  
Cathy Latona  
1843 E. Southern Ave.  
Tempe, AZ 85282



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 21, 2002

Rory Wilson, President  
Lindsey Ranch HOA  
926 E. Liberty Lane  
Gilbert, AZ 85296

RECEIVED  
OCT 01 2002  
FUELS DEPT.

Dear Mr. Wilson:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of thirty five thousand, seven hundred sixty two dollars (\$35,762.00) will be provided to Lindsey Ranch. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

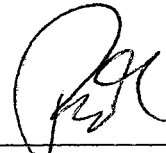
After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



President, Lindsey Ranch HOA  
Rory Wilson

9/24/22

cc: Brenda Miller, Property Manager  
Lepin and Renehan  
P.O. Box 11330  
Tempe, AZ 85284



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 21, 2002

RECEIVED  
OCT 07 2002  
FUELS DEPT.

Kendall Carlile, President  
Mirador Estates HOA  
691 S. Porter St.  
Gilbert, AZ 85296

Dear Mr. Carlile:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of thirteen thousand, five hundred sixty nine dollars (\$13,569.00) will be provided to Mirador Estates. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

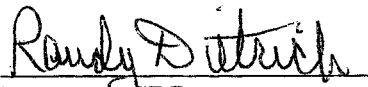
- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

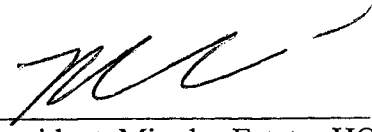
After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



President, Mirador Estates HOA  
Kendall Carlile

cc: Shannon Rowe, Property Manager  
City Property Management  
4645 E. Cotton Gin Loop  
Phoenix, AZ 85040



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

RECEIVED  
SEP 26 2002  
FUELS DEPT.

August 21, 2002

Shane Donart, President  
Rancho Cimarron HOA  
1672 E. Saratoga Street  
Gilbert, AZ 85296

Dear Mr. Donart:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of one hundred twenty three thousand, four hundred twenty two dollars (\$123,422.00) will be provided to Rancho Cimarron. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

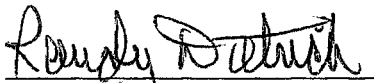
- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



President, Ranch Cimarron HOA  
Shane Donart

cc: Vickie Kuchinski, Property Manager  
Lepin and Renehan  
P.O. Box 11330  
Tempe, AZ 85284



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

RECEIVED  
SEP 23 2002  
FUELS DEPT.

FAXED  
9/19/02

August 21, 2002

Tracy Schofield, President  
Silverstone Ranch HOA  
1414 E. Appaloosa Ct.  
Gilbert, AZ 85296

Dear Ms. Schofield:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of twenty nine thousand, one hundred sixty four dollars (\$29,164.00) will be provided to Silverstone Ranch. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

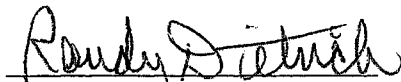
- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered



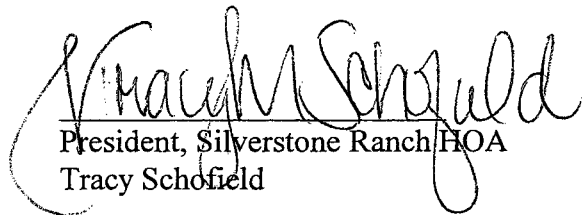
- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan after the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



President, Silverstone Ranch HOA  
Tracy Schofield

cc: Vickie Kuchinski, Property Manager  
Lepin and Renehan  
P.O. Box 11330  
Tempe, AZ 85284



P. O. Box 52025  
Phoenix, AZ 85072-2025  
(602) 236-5900  
www.srpnet.com

Randall G. Dietrich, Manager  
Mail Station: POB 001  
Direct Phone: (602) 236-4311  
Fax: (602) 236-5469  
E-mail: rgdietri@srpnet.com

August 20, 2002

Mr. Danny Kennel, President  
Sonoran Vista HOA  
1654 E. Amber Lane  
Gilbert, AZ 85296

Dear Mr. Kennel:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of eighteen thousand, six hundred fifty three dollars (\$18,653.00) will be provided to Sonoran Vista. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:


- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

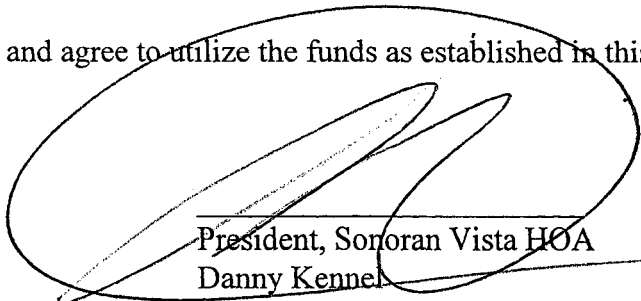
- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.

  
\_\_\_\_\_  
Manager, SRP  
Randy Dietrich

  
\_\_\_\_\_  
President, Sonoran Vista HOA  
Danny Kennel

cc: Jomar Candace Pickett, Property Manager  
P.O. Box 3070  
Chandler, AZ 85244

09/10/02 17:10 FAX



P.O. Box 52027  
 Phoenix, AZ 85072-2025  
 (602) 236-5966  
 www.srpnet.com

Randall G. Dietrich, Manager  
 Mail Station: POB 001  
 Direct Phone: (602) 236-4311  
 Fax: (602) 236-5469  
 E-mail: rgdietri@srpnet.com

August 20, 2002

RECEIVED  
 SEP 11 2002  
 FUELS DEPT.

Ms. Cindi Elisson, President  
 Val Vista Place HOA  
 1272 E. Spruce Ave.  
 Gilbert, AZ 85296

Dear Ms. Elisson:

SRP is currently in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility ("CEC").

Pursuant to condition #7 of the CEC, a Community Working Group ("CWG") was established to refine the on-site and off-site landscaping and mitigation concepts submitted during the hearings. The CWG has completed the plans for on-site design and is now prepared to transfer the planning of off-site design to the individual homeowners' associations and/or County residents surrounding the plant.

A fund has been established for landscaping to visually mitigate offsite views of the generating station. A total of twenty two thousand, three hundred forty seven dollars (\$22,347.00) will be provided to Val Vista Place. In addition, monies will be provided annually for maintenance of vegetative landscaping for a period of twenty (20) years. Each HOA must notify residents of the receipt of funds and allow resident input on use of the funds. Use of the HOA funds must follow the attached set of guidelines developed by SRP. Each HOA must present its intended use for the funds to SRP by the process outlined below.

In order to proceed with disbursement, SRP must obtain written acknowledgement that each HOA will use the funds for the purpose of mitigating plant views. Within the established guidelines, each association is responsible for enhancing its community in a manner best suited for its individual circumstances and needs. Receipt of this signed acknowledgement letter must be received by SRP within 90 days of this letter to be included in the fund. A detailed letter of the intended use of this fund along with an expected timeline of implementation must be submitted to Randy Dietrich of SRP 180 days following. The letter must address the following:

- How the plan adheres to the guidelines
- A copy of HOA notice to its residents and documentation of how resident input was considered

- Provide dates/times of when the offsite mitigation was discussed/planned by the HOA board
- Documentation of full board approval of the HOA off-site mitigation plan

After the HOA off-site plan is reviewed, SRP will forward the funds to the Town of Gilbert for HOA disbursement at which point SRP's responsibility is complete.

To further assist homeowners and/or HOA's, SRP is available to provide a brief history and status of the current expansion as well as development of the on-site landscape design plans. If you have any questions or would like SRP to attend your HOA board meeting, please contact Michelle Colores at (602) 236-5442 or Randy Dietrich at (602) 236-4311.

Please sign below to acknowledge the above and agree to utilize the funds as established in this letter and the attached guidelines.



Manager, SRP  
Randy Dietrich



President, Val Vista Place HOA  
~~Cindi Benson~~ Michael Puzio

cc: Jim Farland, Property Manager  
1274 N. Palo Verde St.  
Gilbert, AZ 85234

## APPENDIX B

Or Current Property Owner  
XXX E. Santan Street  
Gilbert, AZ 85296

September 26, 2002

Dear Current Property Owner,

SRP is in the process of expanding the Santan Generating Station at its existing facility in Gilbert. As part of this expansion SRP will fulfill various conditions that are set forth in its Certificate of Environmental Compatibility (CEC) issued by the Arizona Corporation Commission.

A Community Working Group (CWG) was established to refine the onsite and offsite landscaping concepts submitted during the power plant hearings. Much of the onsite landscaping will serve to help shield views of the plant from neighboring communities. The CWG has completed the plans for onsite design and transferred the responsibility for the offsite plan to SRP. SRP has developed a plan under which the individual homeowners' associations and/or County residents surrounding the plant will conduct the offsite design. SRP will provide funds and landscaping materials to these groups in order to accomplish that objective.

Taking into consideration the varied conditions in the surrounding area, SRP will work with eligible communities and allocate a fund based on these four factors:

- **Proximity to the plant site:** Properties located closer to the plant will receive a higher percentage of the funds.
- **Subdivision area:** Those developments with more acreage will receive an additional percentage of the funds. This allows for consideration of lot sizes and open and common areas.
- **Number of lots within the subdivision:** Subdivisions with higher lot per acre ratios will receive an additional percentage of the funds.
- **Special condition areas:** Conditions exist where residential lots next to open and common areas may have greater visibility of the plant site. When such conditions exist, allowances will be made to provide additional funding for mitigation.

Under SRP's plan, 21 different communities are considered eligible for participation. In most cases, the established HOAs for those communities will receive the allocation whereas County residents will receive the allocation individually.

As a resident of the County you are invited to participate in the individual landscaping program established for residential properties of those County residents living within 1-¼ miles from the center of the generating plant. Participants in the program who live south of the generating station may be eligible to receive one thousand, two hundred and one dollars (\$1201.00) in landscape materials. Eighty percent of the fund will be provided as a voucher to a local nursery toward the purchase of plant material. Twenty percent will be distributed in the form of a check to help with ancillary improvements to your landscape watering system, ground cover, or any grass replacement. To be assessed for eligibility to be included in the program you must return the attached form expressing your interest and provide SRP with 1) proof of ownership on each eligible parcel and 2) two documents presenting proof of residency on each parcel (i.e. copy of power bill, Town service bill, etc...).

Please feel free to share the details of this program with your neighbors. Receipt of the attached acknowledgement and request to assess eligibility must be received by SRP no later than October 31, 2002 to be included in the program. Once eligibility has been determined SRP will distribute the fund within 30 days.

If you have any questions regarding this program please contact Michelle Colores at (602) 236-5442.

Please sign the attached form and return with proof of eligibility to SRP, Attention: Michelle Colores, PO Box 52025, Mailstation ISB669, Phoenix, Arizona 85072 by October 31<sup>st</sup> 2002 to be included as a program participant.

**Santan Expansion Project  
County Landscaping Program**

I \_\_\_\_\_ reside at \_\_\_\_\_ and have reviewed the  
acknowledgement letter and eligibility requirements. I would like to participate in the program and am attaching  
proof of eligibility for each residential parcel.

\_\_\_\_\_  
Signed  
Date

APPENDIX C

g

**GE Energy Services**

Edward G. Barry  
Sales Manager

GE Energy Services  
General Electric International, Inc. (GEII)  
3020 E. Camelback Road, Phoenix, Suite 360,  
Phoenix, AZ 85016  
602-224-7142 / Fax 602-224-7166  
Email: edward.barry@ps.ge.com

October 24, 2002

Salt River Project  
Attn: Larry Wilson  
PO Box 52025  
Phoenix, AZ 85072-2025

**Subject: SRP Santan Combustion Testing Services  
Estimates of Emissions on Ultra Low Sulfur Fuel**

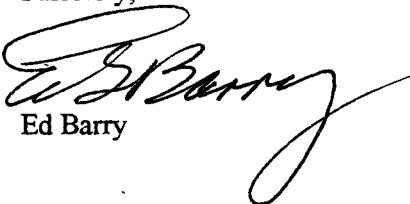
Dear Larry,

This letter is to document to SRP emissions expectations from the burning of EC1 liquid fuel at Santan Units 1 - 4 per our discussions last month. We are confident that based on our experience that a test is not needed to provide the emission estimates.

Based on fuel analysis reports and fuel specifications for low sulfur diesel, CARB diesel, and ultra low sulfur fuel oil (EC1), we find that the physical properties of the fuels are substantially similar, such that emissions of CO, PM10, and VOC should be effectively identical. Expected NOx emissions on EC1 fuel are slightly less (approximately 3-4%) than the other fuels because of EC1's lower nitrogen content. Expected SO2 emissions, however, will be significantly lower than the other fuels based on the maximum sulfur content for each fuel. The maximum sulfur content of the fuels and the expected emissions for each fuel at those sulfur levels are presented in the following table.

	<u>Low Sulfur Fuel Oil</u>	<u>CARB Diesel</u>	<u>EC1</u>
Maximum Fuel Sulfur Content (ppm)	500	500	15
Estimated Emissions (lb/MMBtu)	0.0533	0.0533	0.0016

Sincerely,

  
Ed Barry